

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 2161 - SB 2849**

February 13, 2020

**SUMMARY OF BILL:** Requires the Commissioner of the Department of Commerce and Insurance (Commissioner) to promulgate rules to prohibit the use of a certificate of insurance that contains any false or misleading information. Defines “certificate of insurance” as a document issued by an insurer as evidence of property or casualty insurance coverage that does not include a policy of insurance. Authorizes the Commissioner to issue a cease and desist order or assess a civil penalty of no more than \$1,000 against a person found in violation of these provisions.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- The proposed legislation defines a “person”, which is prohibited from issuing a certificate of insurance containing false or misleading information, as any individual, partnership, corporation, association, or other legal entity, including government.
- It is presumed that all governmental entities that issue insurance policies will adhere to the provisions of the legislation.
- It is estimated that there will not be a sufficient number of prosecutions for the state to see a significant increase in civil penalty revenue.
- The Commissioner can promulgate rules to prohibit misuse of certificates of insurance within existing resources.
- No significant fiscal impact to state or local government.

**IMPACT TO COMMERCE:**

**NOT SIGNIFICANT**

Assumptions:

- The proposed legislation is not estimated to result in a sufficient number of prosecutions for business expenditures to significantly increase from civil penalty fines.
- No significant impact to jobs or commerce in Tennessee.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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